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RR RUEHWEB

DE RUEHTC #0252 0741228
ZNR UUUUU ZZH
R 141228Z MAR 08
FM AMEMBASSY THE HAGUE
TO RUEHC/SECSTATE WASHDC 1228
INFO RUEHFR/AMEMBASSY PARIS 1399
RUEHLI/AMEMBASSY LISBON 0507
RHMFIUU/SECDEF WASHINGTON DC
RUCPDOC/USDOC WASHDC
RHMFIUU/HQ BICE INTEL WASHINGTON DC

UNCLAS THE HAGUE 000252

SIPDIS

STATE FOR PM/DTCC - TWATKINS
USDOC for 532/OEA
USDOC for 3133/USFCS/OIO/JBREIDENSTINE/PBUCHER
USDOC for 4212/USFCS/MAC/EUR/OWE/DCALVERT

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: ETTC KOMC FR NL

SUBJECT: Netherlands Blue Lantern: Post-Shipment End-Use Check on
License 050061621

REF: STATE 10193

SENSITIVE BUT UNCLASSIFIED; PLEASE HANDLE ACCORDINGLY.

¶1. (U) SUMMARY: Post verified AD-S' role as a foreign intermediary for the French Air Force (FAF) and the company appeared to be a responsible recipient of USML items. END SUMMARY.

¶2. (SBU) Emboffs met with Peter de Smalen, Director, AD-S on March 3 to conduct reftel post-shipment verification and site visit in relation to the export of a large quantity of C-130 spare parts to the FAF. AD-S is a subsidiary of Avio-Diepen, an independent distributor in the aerospace industry. Avio-Diepen acquired the AD-S business in November 2006. De Smalen explained that AD-S' core activity is brokering military aviation spare parts and it is one of the Netherlands' leading independent traders in this sector. For the purpose of comparison, he mentioned Dercos Aerospace and Kellstrom Industries (both U.S. companies) as competitors. De Smalen said that AD-S' revenue in 2007 was approximately 12 million Euros and it had ten full-time employees. He said that AD-S focuses its sales efforts on a short list of about ten established customers, including the Dutch Armed Forces, NAMSA (NATO's centralized procurement arm), OGMA (Industria Aeronautica de Portugal), the Portuguese Air Force, the FAF, the Singapore Air Force, and Singapore Technologies (ST Engineering).

¶3. (SBU) Regarding license 050061621 for the export of C-130 aircraft spare parts to the FAF, de Smalen said that AD-S had won a tender to supply the parts and was sourcing them from R.S. Aviation in Florida. He said that, to date, AD-S had only supplied parts totalling several thousand dollars but that R.S. Aviation had suggested obtaining a blanket license for USD 2 million to cover present and future shipments to the FAF. De Smalen provided Emboffs with purchase orders, invoices, and contracts for R.S. Aviation, AD-S, and OGMA (the foreign consignee for the FAF parts). Post can provide copies upon request.

¶4. (U) De Smalen assured Emboffs that every employee at AD-S takes license compliance very seriously. He appeared to have a firm understanding of the obligations associated with the export license. Emboff interactions with de Smalen were cordial and professional.

Gallagher